



**DISTRICT OF HIGHLANDS  
BYLAW NO. 383**

BEING A BYLAW OF THE DISTRICT OF HIGHLANDS TO ADOPT THE FIVE YEAR  
FINANCIAL PLAN FOR THE YEARS 2016 TO 2020

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**NOW THEREFORE** The Council of the District of Highlands, in open meeting assembled, enacts as follows:

1. Schedule "A" attached to and forming part of this Bylaw is declared to be the Five Year Financial Plan of the District of Highlands for the five year period ending December 31, 2020.
2. Schedule "B" attached to and forming part of this Bylaw is declared to be the Statement of Objectives and Policies of the District of Highlands for the purposes of this Bylaw.
3. This Bylaw may be cited for all purposes as the "Five Year Financial Plan Bylaw No. 383, 2016".

READ A FIRST TIME THIS	2 <sup>nd</sup> DAY OF MAY, 2016
READ A SECOND TIME THIS	2 <sup>nd</sup> DAY OF MAY, 2016
READ A THIRD TIME THIS	2 <sup>nd</sup> DAY OF MAY, 2016
RECONSIDERED AND ADOPTED THIS	9 <sup>th</sup> DAY OF MAY, 2016

*Original Signed*

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MAYOR

*Original Signed*

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CORPORATE OFFICER

Schedule "A" to Bylaw No. 383  
2016 – 2020 Financial Plan

	<b>2016 BUDGET</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>
<b>Operating Revenues</b>					
Taxation	1,756,993	1,867,672	1,950,012	1,935,812	1,970,052
Sales of Services	84,790	54,340	54,500	54,600	54,660
Other Revenue	78,200	37,700	37,700	37,700	37,700
Grants and Contributions	548,263	539,963	539,963	542,963	542,963
<b>Total Operating Revenues</b>	<b>2,468,246</b>	<b>2,499,675</b>	<b>2,582,175</b>	<b>2,571,075</b>	<b>2,605,375</b>
<b>Operating Expenses</b>					
General Government Services	691,300	699,750	721,150	715,250	727,750
Protective Services	391,125	492,100	523,200	499,400	502,600
Transportation Services	234,000	230,000	235,000	239,000	243,000
Planning Services	185,150	157,350	166,650	161,950	171,350
Recreation and Cultural Services	350,507	250,763	255,263	259,763	264,263
AMORTIZATION Expense	721,047				
<b>Total Operating Expenses</b>	<b>2,573,129</b>	<b>1,829,963</b>	<b>1,901,263</b>	<b>1,875,363</b>	<b>1,908,963</b>
<b>Surplus (Deficit) with AMORTIZATION</b>	<b>-104,883</b>	<b>669,712</b>	<b>680,912</b>	<b>695,712</b>	<b>696,412</b>
<b>Surplus(Deficit) less AMORTIZATION</b>	<b>616,164</b>	<b>669,712</b>	<b>680,912</b>	<b>695,712</b>	<b>696,412</b>
<b>Reserves, Capital and Debt</b>					
Prior years' surplus appropriated	160,675	0	0	0	0
Transfers to Reserves	(605,714)	(473,000)	(473,600)	(484,000)	(484,700)
Repayment of Debt	(30,975)	(131,712)	(141,712)	(141,712)	(141,712)
Borrowing	500,000				
Reserves Used for Capital Financing	180,300	155,000	125,000	135,000	135,000
Grants for Capital Financing	35,300				
Capital Expenditures	(855,750)	-220,000	-190,600	-205,000	-205,000
<b>Total Reserves, Capital and Debt</b>	<b>(616,164)</b>	<b>(669,712)</b>	<b>(680,912)</b>	<b>(695,712)</b>	<b>(696,412)</b>
<b>Surplus(Deficit)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

**SCHEDULE "B"**

In accordance with Section 165(3.1) of the *Community Charter*, the District of Highlands is required to include in the Five Year Financial Plan, objectives and policies regarding each of the following:

1. The proportion of total revenue that comes from each of the funding sources described in Section 165(7) of the *Community Charter*;
2. The distribution of property taxes among the property classes, and
3. The use of permissive tax exemptions.

**Funding Sources**

Property taxes easily account for the greatest proportion of revenue. The services covered by property taxation encompass such things as general administration, road maintenance, fire protection, and bylaw enforcement. Because the District services that are provided are relatively minimal there is no significant impact that can be made relative to offsetting taxes with additional fee based charges. The significant exception to this is the provision of Building Inspection and Subdivision Approval Services where the fees charged in the permitting process accomplish almost complete cost recovery.

Unconditional provincial government grants form the second largest funding source in the District's budget.

**Objective**

- Over the next five years, it is anticipated that there will not be any significant change to the revenue structure.

**Policies**

- The District will continue to maintain a high degree of cost recovery of the Building and Subdivision Services it provides.
- The District will continue to analyze fee for service based functions, to ensure that the cost implications are clear and adjusted if appropriate.

**Distribution of Property Tax Rates**

Table 1 outlines the distribution of property taxes among the property classes for general municipal and fire purposes. The residential property class provides the largest proportion of property tax revenue. This is appropriate as this class also forms the largest portion of the assessment base.

**Objectives**

- Council undertook a detailed review and analysis of the District’s Tax Policy in 2015. Past practice of maintaining the same impact within each property class in each year had ultimately created an unintended result of changing the relationship of tax rates between the various property classes. Key objectives of the Tax Policy for 2015 carried forward were to:
  - establish a relationship between the property classes that is more consistent with the District’s Integrated Community Sustainability Plan and Council’s Strategic Priorities.
  - Phase in the impacts of the change over a period of four years to balance the year to year impacts on the affected property classes.

**Policies**

- Utilize a multiple based system of tax apportionment to establish an overall 2% lift in general municipal taxes for residential properties and the necessary lift for fire purposes to achieve superior shuttle accreditation. Multiples clarify a specific relationship of tax contribution between the property classes; therefore, make changes in 2016 to increase multiples in Class 5 (Light Industry) and Class 6 (Business), while maintaining the 2015 multiples for the other property classes.
- Continue with the intention set out in 2015 to achieve further change by phasing in by 2018, a multiple of 4.8 for Class 5 (Light Industry) and 4.4 for Class 6 (Business), while maintaining the multiples from 2015 through to 2018 for the other property classes.
- Continue to annually review and analyze the impacts of the tax apportionment.

**Table 1: Distribution of Highlands Property Tax Rates**

Property Class	2016 Multiple	Dollar Value
Residential (1)	1.00	\$1,512,513
Utilities (2)	8.00	\$3,562
Light Industry (5)	3.28	\$58,410
Business and Other (6)	3.94	\$125,772
Private Managed Forest (7)	3.00	\$3,748
Recreation/Non-profit (8)	6.00	\$17,651
Farmland (9)	3.00	\$938
<b>TOTAL</b>		<b>\$1,722,593</b>

**Permissive Tax Exemptions**

The District has not issued property tax exemptions.